

Bill No.: _____

Requested: _____

Committee: _____

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By: Prince George's County Delegation and Montgomery County Delegation

A BILL ENTITLED

1 AN ACT concerning

2 Prince George's County – Maryland–National Capital Park and Planning
3 Commission – Extraordinary Development District

4 PG/MC 109–16

5 FOR the purpose of authorizing the designation of an extraordinary development district
6 for certain purposes; authorizing the Maryland–National Capital Park and Planning
7 Commission to pledge certain property taxes to a certain special fund for an
8 extraordinary development district under certain circumstances; providing that a
9 certain agreement regarding an extraordinary development district must be
10 executed by the Commission and the governing body of Prince George's County;
11 providing that the Commission may not enter into a certain agreement regarding an
12 extraordinary development district until certain resolutions are adopted or
13 approved; defining a term; altering a certain definition; and generally relating to
14 extraordinary development districts in Prince George's County.

15 BY repealing and reenacting, with amendments,
16 Article – Economic Development
17 Section 12–201 and 12–210
18 Annotated Code of Maryland
19 (2008 Volume and 2015 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY adding to
2 Article – Land Use
3 Section 18–310
4 Annotated Code of Maryland
5 (2012 Volume and 2015 Supplement)

6 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
7 That the Laws of Maryland read as follows:

8 **Article – Economic Development**

9 12–201.

10 (a) In this subtitle the following words have the meanings indicated.

11 (b) “Adjusted assessable base” means the fair market value of real property that
12 qualifies for a farm or agricultural use under § 8–209 of the Tax – Property Article, without
13 regard to the agricultural use assessment for the property as of January 1 of the year
14 preceding the effective date of the resolution creating the development district under §
15 12–203 of this subtitle.

16 (c) “Assessable base” means the total assessable base, as determined by the
17 Supervisor of Assessments or the governing body in accordance with § 12–203(b) of this
18 subtitle, of all real property subject to taxation in a development district or a sustainable
19 community.

20 (d) (1) “Assessment ratio” means a real property tax assessment ratio,
21 however designated or calculated, that is used under applicable general law to determine
22 the assessable base.

23 (2) “Assessment ratio” includes the assessment percentage specified under
24 § 8–103(c) of the Tax – Property Article.

25 (e) “Bond” means a revenue bond, note, or other similar instrument issued in
26 accordance with this subtitle by:

27 (1) a political subdivision; or

(2) the revenue authority of Prince George's County.

(f) "Chief executive" means the president, chair, mayor, or other chief executive officer of a political subdivision or the revenue authority of Prince George's County.

(g) "Development" includes new development, redevelopment, revitalization, and renovation.

(h) (1) "Development district" means a contiguous area designated by a resolution.

(2) "DEVELOPMENT DISTRICT" INCLUDES AN EXTRAORDINARY DEVELOPMENT DISTRICT.

(I) "EXTRAORDINARY DEVELOPMENT DISTRICT" MEANS A DEVELOPMENT DISTRICT THAT:

(1) IS DESIGNATED AS SUCH BY RESOLUTION; AND

(2) CONTAINS AT LEAST 50 ACRES, ON ALL OR PART OF WHICH A FEDERAL LAW ENFORCEMENT AGENCY WILL BE LOCATED.

[(i)] (J) "Issuer" means a political subdivision or the revenue authority of Prince George's County that issues a bond under this subtitle.

[(j)] (K) "MEDCO obligation" means a bond, note, or other similar instrument that the Maryland Economic Development Corporation issues under authority other than this subtitle to finance the cost of infrastructure improvements located in or supporting a transit-oriented development, a sustainable community, or a State hospital redevelopment.

[(k)] (L) "Original base" means the assessable base:

(1) as of January 1 of the year preceding the effective date of the resolution creating the development district under § 12-203 of this subtitle; or

(2) if the political subdivision determined the original base in accordance with § 12-203(b) of this subtitle, the base value as established in the resolution.

1 [(l)] (M) “Original full cash value” means the dollar amount that is determined
2 by dividing the original base by the assessment ratio used to determine the original base.

3 [(m)] (N) “Original taxable value” means for any tax year the dollar amount that
4 is:

5 (1) the adjusted assessable base, if an adjusted assessable base applies; or

6 (2) in all other cases, the lesser of:

7 (i) the product of multiplying the original full cash value by the
8 assessment ratio applicable to that tax year; and

9 (ii) the original base.

10 [(n)] (O) “Political subdivision” means a county or a municipal corporation.

11 [(n-1)] (P) “RISE zone” means an area designated as a Regional Institution
12 Strategic Enterprise zone under § 5-1404 of this article.

13 [(o)] (Q) “State hospital redevelopment” means any combination of private or
14 public commercial, residential, or recreational uses, improvements, and facilities that:

15 (1) is part of a comprehensive coordinated development plan or strategy
16 involving:

17 (i) property that was occupied formerly by a State facility, as
18 defined in § 10-101 of the Health – General Article, or a State residential center, as defined
19 in § 7-101 of the Health – General Article; or

20 (ii) property that is adjacent or reasonably proximate to property
21 that was occupied formerly by a State facility, as defined in § 10-101 of the Health –
22 General Article, or a State residential center, as defined in § 7-101 of the Health – General
23 Article;

24 (2) in accordance with design development principles, maximizes use of the
25 property by those constituencies it is intended to serve; and

(3) is designated as a State hospital redevelopment by:

(i) the Smart Growth Subcabinet established under § 9–1406 of the State Government Article; and

(ii) the local government or multicounty agency with land use and planning responsibility for the relevant area.

~~[(p)]~~ (R) (1) “Sustainable community” has the meaning stated in § 6–201 of the Housing and Community Development Article.

(2) “Sustainable community” includes a portion of a sustainable community.

~~[(q)]~~ (S) “Tax increment” means for any tax year the amount by which the assessable base as of January 1 of the preceding tax year exceeds the original base taxable value divided by the assessment ratio used to determine the original taxable value.

~~[(r)]~~ (T) “Tax year” means the period from July 1 of a calendar year through June 30 of the next calendar year.

~~[(s)]~~ (U) “Transit-oriented development” has the meaning stated in § 7–101 of the Transportation Article.

12–210.

(a) (1) Subject to paragraph (2) of this subsection, the governing body of a political subdivision that is not the issuer may pledge under an agreement that its property taxes levied on the tax increment shall be paid into the special fund for the development district, a RISE zone, or a sustainable community.

(2) The agreement shall:

(i) be in writing;

(ii) be executed by the governing bodies of the issuer and the political subdivision making the pledge; and

1 (iii) run to the benefit of and be enforceable on behalf of any
2 bondholder.

3 (3) (I) THIS PARAGRAPH APPLIES ONLY IN PRINCE GEORGE'S
4 COUNTY.

5 (II) SUBJECT TO § 18-310 OF THE LAND USE ARTICLE, THE
6 MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION MAY PLEDGE
7 UNDER AN AGREEMENT THAT ITS PROPERTY TAXES LEVIED ON THE TAX INCREMENT
8 IN AN EXTRAORDINARY DEVELOPMENT DISTRICT IN PRINCE GEORGE'S COUNTY
9 SHALL BE PAID INTO A SPECIAL FUND FOR THE EXTRAORDINARY DEVELOPMENT
10 DISTRICT.

11 (III) THE AGREEMENT AUTHORIZED UNDER SUBPARAGRAPH (II)
12 OF THIS PARAGRAPH SHALL:

13 1. BE IN WRITING;

14 2. BE EXECUTED BY THE GOVERNING BODY OF PRINCE
15 GEORGE'S COUNTY AND THE MARYLAND-NATIONAL CAPITAL PARK AND
16 PLANNING COMMISSION; AND

17 3. RUN TO THE BENEFIT OF AND BE ENFORCEABLE ON
18 BEHALF OF ANY BONDHOLDER.

19 (b) The governing body of Prince George's County may also pledge hotel rental
20 tax revenues to the special fund.

21 (c) The governing body of a political subdivision, including the issuer, may pledge
22 by or under a resolution, including by an agreement with the issuer, as applicable, that
23 alternative local tax revenues generated within, or that are otherwise determined to be
24 attributable to, a development district that is a transit-oriented development, a RISE zone,
25 a sustainable community, or a State hospital redevelopment be paid, as provided in the
26 resolution, into the special fund to:

27 (1) secure the payment of debt service on bonds or MEDCO obligations; or

(2) be applied to the other purposes stated in § 12-209 of this subtitle.

Article – Land Use

18-310.

**THE COMMISSION MAY NOT ENTER INTO AN AGREEMENT TO PLEDGE ITS
PROPERTY TAXES INTO A SPECIAL FUND FOR AN EXTRAORDINARY DEVELOPMENT
DISTRICT UNDER § 12-210 OF THE ECONOMIC DEVELOPMENT ARTICLE UNTIL:**

**(1) THE GOVERNING BODY OF PRINCE GEORGE'S COUNTY HAS
ADOPTED A RESOLUTION DESIGNATING THE EXTRAORDINARY DEVELOPMENT
DISTRICT; AND**

**(2) THE PLANNING BOARD OF PRINCE GEORGE'S COUNTY HAS
APPROVED A RESOLUTION IN SUPPORT OF THE AGREEMENT.**

**SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
1, 2016.**

